



Department of Defense



***National Security
Personnel System***

Department of Defense
National Security Personnel System

Town Hall Brief

May 2006

Why NSPS?

- Advance DoD's critical national security mission
- Respond swiftly and decisively to national security threats and other missions
- Accelerate DoD's efforts to create a Total Force
- Retain and attract talented and motivated employees committed to excellence
- Compensate and reward employees based on performance and mission contribution
- Expand DoD's ability to hire more quickly and offer competitive salaries



What is NSPS?

- **Performance management system that:**
 - Values performance and contribution
 - Encourages communication
 - Supports broader skill development
 - Promotes excellence
- **Streamlined and more responsive hiring process**
- **Flexibility in assigning work**
- **Preservation of employee benefits, rights and protections**
- **Preservation of rights of employees to join a union**
- **Tools to shape a more effective and efficient workforce**

DoD's Flexible and Responsive Civilian Personnel System

- Put mission first – support National Security goals and strategic objectives;
- Respect the individual – protect rights guaranteed by law;
- Value talent, performance, leadership and commitment to public service;
- Be flexible, understandable, credible, responsive, and executable;
- Ensure accountability at all levels;
- Balance HR interoperability with unique mission requirements; and
- Be competitive and cost effective.

- **Recognizes and rewards employees based on personal contributions to mission**
- **Opens communication between supervisors and employees: all know expectations**
- **Encourages employees to take ownership of their performance and success**
- **Promotes broader skill development and advancement opportunities in pay bands**



Key Events and Activities

2003

- NSPS authorized by National Defense Authorization Act

2004

- Working groups developed human resources, labor relations and appeals options
- Conducted Focus Groups and Town Halls worldwide
- Met with labor organizations on design input

2005

- Published proposed and final NSPS Regulations
- Considered 58K comments received during public comment period
- Held meet and confer sessions and continued collaboration with unions
- Testified before Congress
- Conducted Train-the-Trainer sessions

2006

- Simplifying performance management
- Implementing issuance modifications and continuing collaboration
- Piloting training at NAVSEA Headquarters
- Court decision – Department of Justice filed Notice of Appeal
- Implementing Spiral 1.1

- **Merit System Principles**
- **Veterans' Preference**
- **Whistleblower protections**
- **Rules against prohibited personnel practices**
- **Anti-discrimination laws**
- **Fundamental due process**
- **Benefit laws on retirement, health, life, etc.**
- **Allowances and travel/subsistence expenses**
- **Training**
- **No pay loss upon conversion**

■ NSPS Human Resources System

- **Vast majority of DoD employees eligible for coverage**
 - ✓ Initially applies only to selected GS/GM and Acquisition Demo employees
 - ✓ Employees in special pay/classification systems (e.g., wage grade) will be phased in later
- **Certain categories excluded (e.g. intelligence personnel, Defense Labs listed in NSPS law)**

Vast majority of DoD civilian employees

Human Resources System

- **Classification** - Simple, flexible
- **Compensation** - Performance-based, market-sensitive
- **Performance Management** - Linked to agency mission
- **Staffing** - The right person, in the right place, at the right time
- **Workforce Shaping** - Streamlined, mission-responsive

Adverse Actions and Appeals

- Enjoined

Labor Relations System

- Enjoined

- **Feb 27, 2006, District Court concluded that:**
 - DoD and OPM satisfied their statutory obligation to collaborate in developing the system
 - DoD lawfully had the authority to depart from Chapter 71 in establishing a new labor relations system
 - New rule fails to ensure that employees can bargain collectively
 - National Security Labor Relations Board does not meet Congress' requirement for "independent third party review" of labor relations decisions
 - Process for appealing adverse actions fails to provide employees with "fair treatment" as required by Congress
- **District Court permanently enjoined adverse actions, appeals, and labor relations**
- **Department of Justice filed Notice of Appeal on April 17 of the adverse ruling of the District Court**

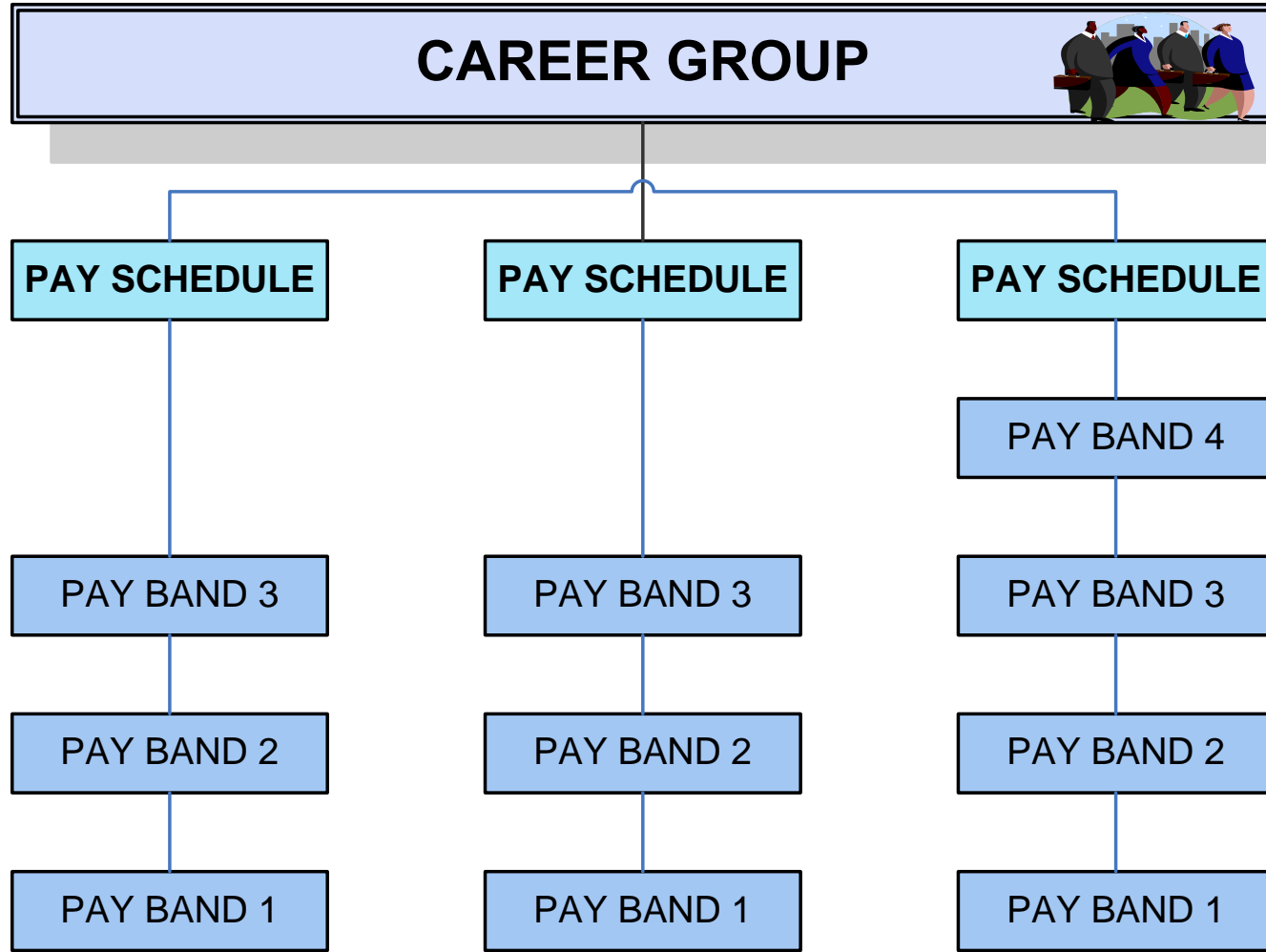
- **Jobs in broad “pay bands” based on nature of work and competencies**
- **Progress in bands dependent on performance, complexity and/or contribution, market conditions**
- **Position descriptions are less detailed**
- **Classification appeal rights protected**
- **Allows flexibility to assign new or different work**
- **Promotes broader skill development and advancement opportunities within and across pay bands**

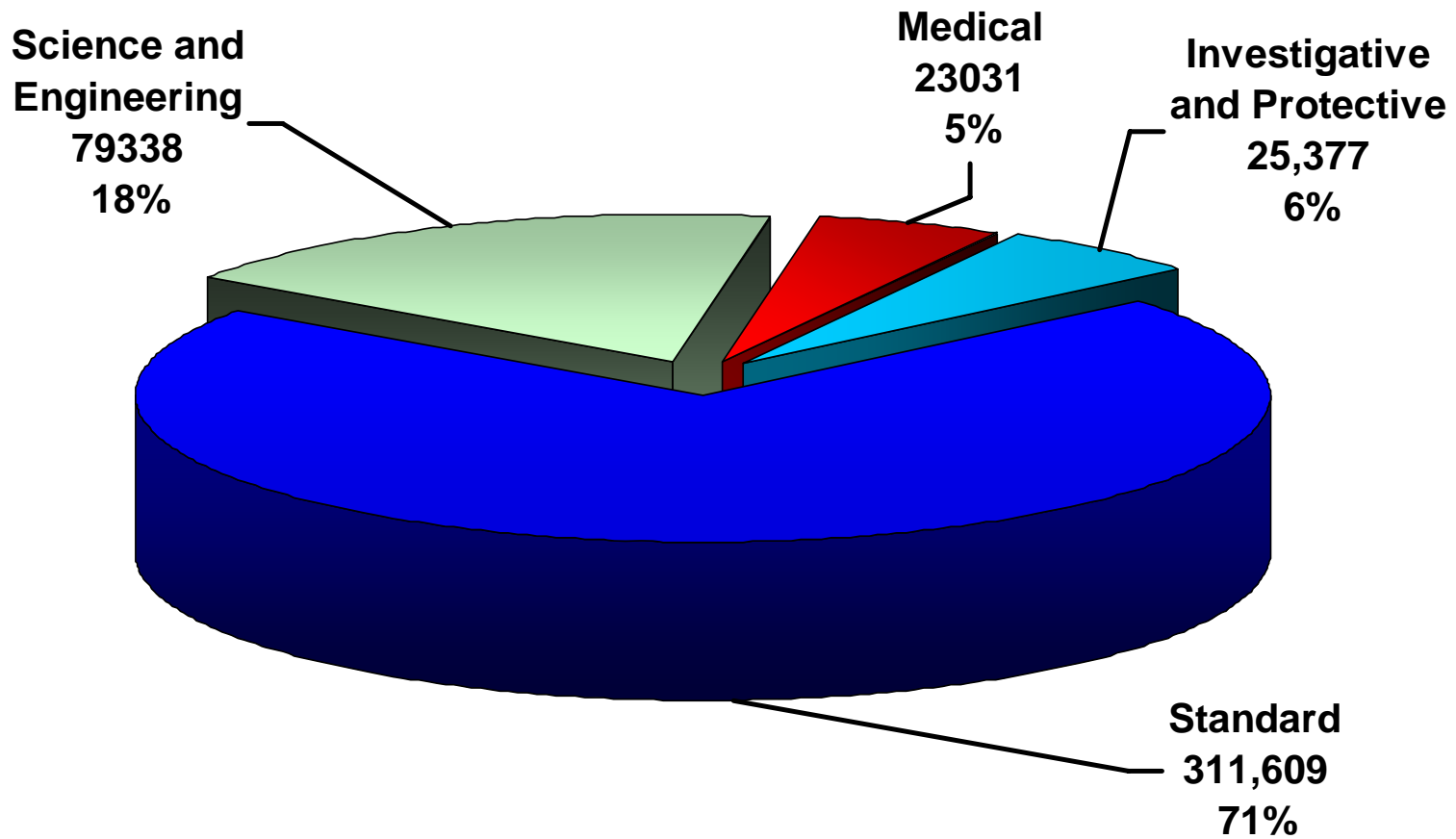
Positions Grouped in Broad Bands



Classification Architecture

STANDARD CAREER GROUP <ul style="list-style-type: none">● Pay Schedules<ul style="list-style-type: none">✓ Professional/Analytical✓ Tech/Support✓ Student Employment✓ Supervisor/Manager <p>71% of DoD white collar workforce</p>	INVESTIGATIVE & PROTECTIVE SERVICES CAREER GROUP <ul style="list-style-type: none">● Pay Schedules<ul style="list-style-type: none">✓ Investigative✓ Fire Protection✓ Police/Guard✓ Supervisor/Manager <p>6% of DoD white collar workforce</p>
SCIENTIFIC & ENGINEERING CAREER GROUP <ul style="list-style-type: none">● Pay Schedules<ul style="list-style-type: none">✓ Professional✓ Tech/Support✓ Supervisor/Manager <p>18% of DoD white collar workforce</p>	MEDICAL CAREER GROUP <ul style="list-style-type: none">● Pay Schedules<ul style="list-style-type: none">✓ Physician/Dentist✓ Professional✓ Tech/Support✓ Supervisor/Manager <p>5% of DoD white collar workforce</p>



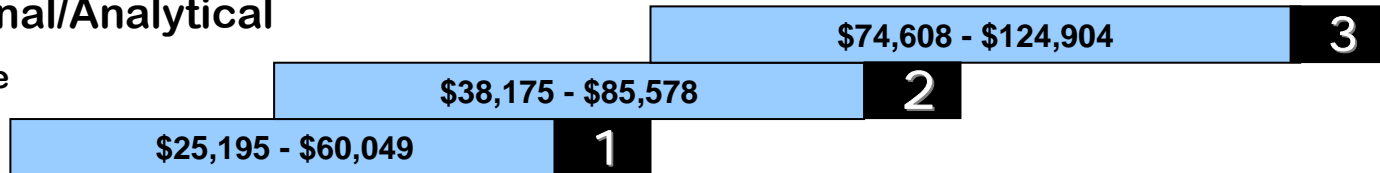




Standard Career Group

Professional/Analytical

Pay Schedule

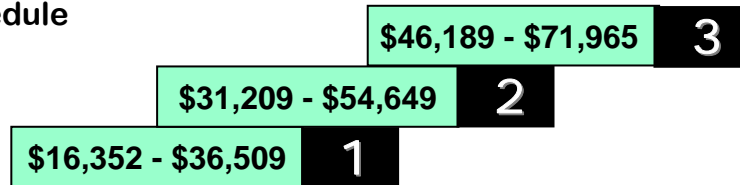


Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Technician/Support

Pay Schedule

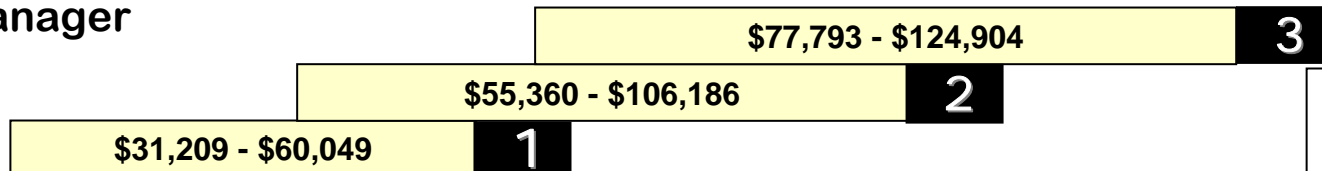


Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Supervisor/Manager

Pay Schedule



Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Student

Pay Schedule



Plus
Local
Market
Supplement

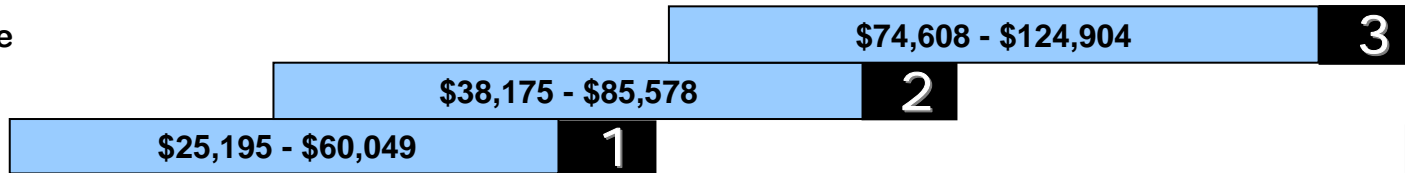
\$15,000 35,000 55,000 75,000 95,000 115,000 135,000



Scientific and Engineering Career Group

Professional

Pay Schedule

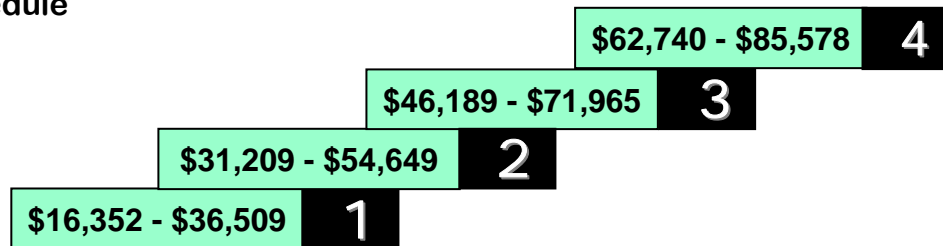


Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Technician/Support

Pay Schedule

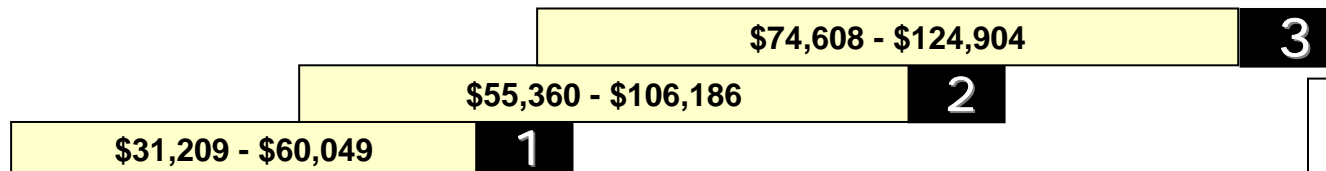


Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Supervisor/Manager

Pay Schedule



Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000



Medical Career Group

Physician/Dentist

Pay Schedule

\$110,000 - \$225,000

3

\$85,000 - \$175,000

2

Plus
Local
Market
Supplement

\$25,000

60,000

95,000

130,000

165,000

200,000

225,000

Professional

Pay Schedule

\$74,608 - \$124,904

3

\$38,175 - \$101,130

2

Plus
Local
Market
Supplement

\$25,195 - \$60,049

1

\$15,000

35,000

55,000

75,000

95,000

115,000

135,000

Technician/Support

Pay Schedule

\$46,189 - \$71,965

3

\$31,209 - \$54,649

2

\$16,352 - \$36,509

1

Plus
Local
Market
Supplement

\$15,000

35,000

55,000

75,000

95,000

115,000

135,000

Supervisor/Manager

Pay Schedule

\$100,000 - \$200,000

4

\$77,793 - \$124,904

3

\$55,360 - \$106,186

2

\$31,209 - \$60,049

1

Plus
Local
Market
Supplement

\$25,000

60,000

95,000

130,000

165,000

200,000

225,000

May 2006

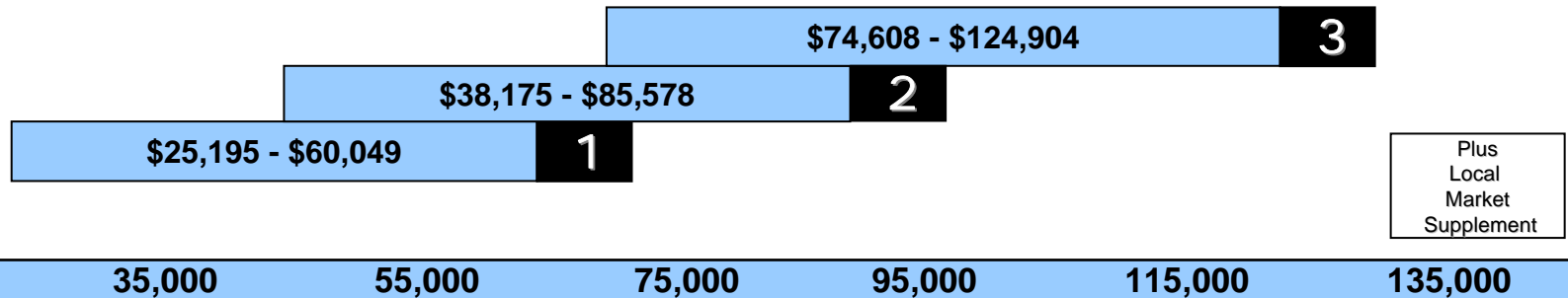
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Investigative and Protective Services Career Group

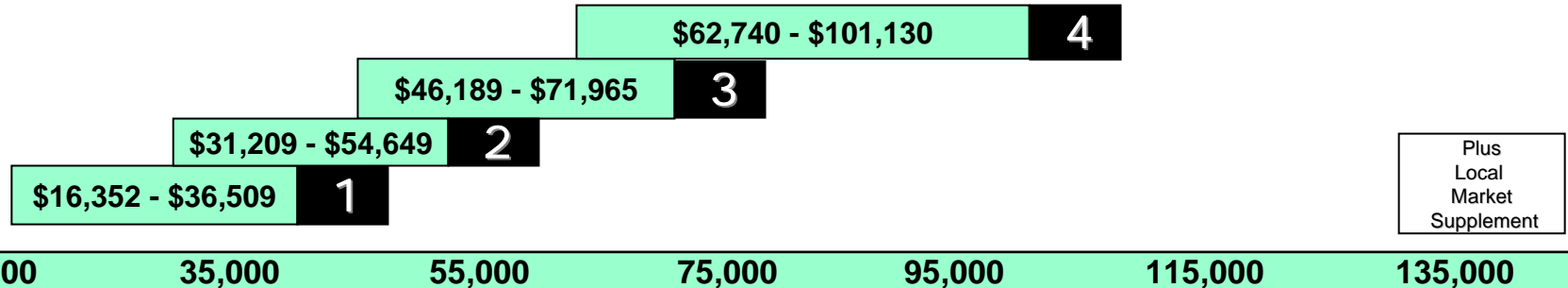
Investigative

Pay Schedule



Fire Protection

Pay Schedule

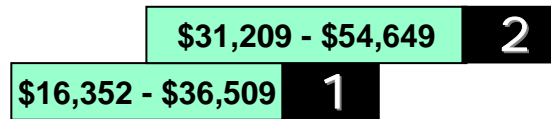




Investigative and Protective Services Career Group (cont.)

Police/Security Guard

Pay Schedule

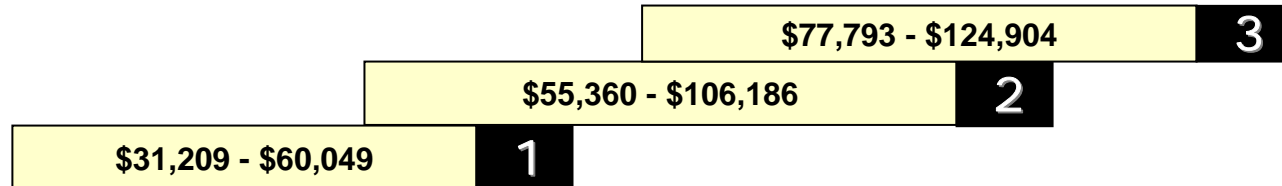


Plus
Local
Market
Supplement

\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
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Supervisor/Manager

Pay Schedule



Plus
Local
Market
Supplement

\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
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Performance-Based Pay

- Annual pay raises or bonuses based on performance
- High-performing employees can get higher pay raises
- Employees must perform at “Valued Performance” (Level 3) or higher to get any increase

Rate Range Increases

- Nation-wide salary adjustments, may vary by pay band
- Employees must perform at “Fair” (Level 2) or higher to get any increase

Local Market Supplement Increases

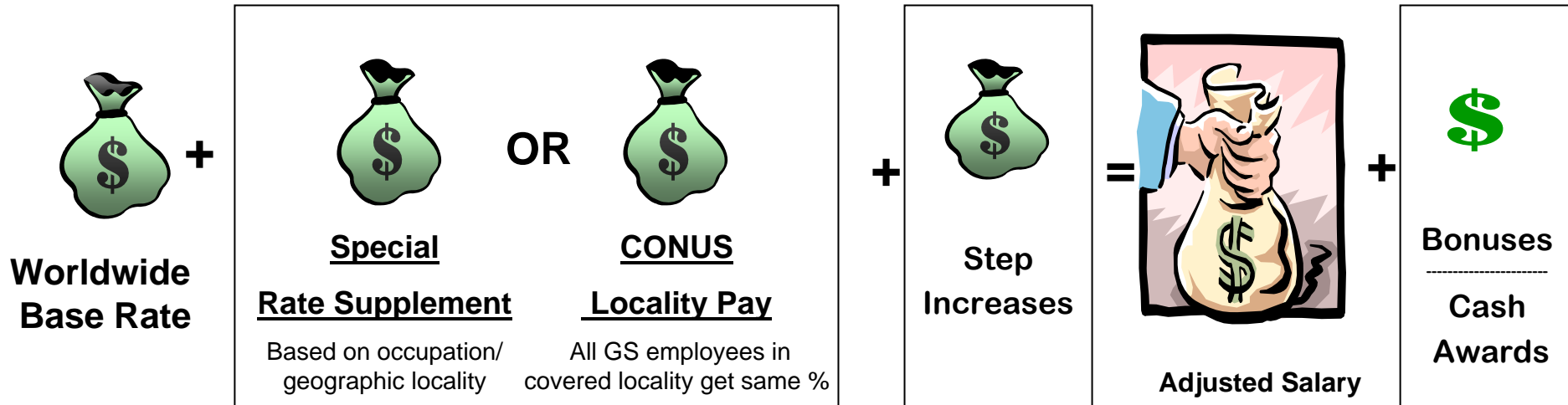
- Similar but not identical to locality pay - addition to base pay
- Based on geographic or occupation market conditions
- In given area, can differ from one occupation to another
- Employees must perform at “Fair” (Level 2) or higher to get any increase

Other Features

- Rate ranges and local market supplements are reviewed annually
- 6% minimum salary increase for promotions
- Eligibility for salary increase for reassignment/reduction in band

Pay bands replace General Schedule

General Schedule



NSPS



SECDEF Decisions (Outside Pay Pool)

- Rate Range Adjustments *
- Local Market Supplement (LMS) *

Performance-Based Pay (Inside Pay Pool) [may be Continuing and/or Bonus]

- WGs **
- QSI **
- Promotions

- Annual Bonuses

- Portion of GPI ***

Money
histori-
cally
spent

Chapter 45 Incentive Awards (Outside NSPS)

- Special Act
- On-the-Spot
- Time Off

Element 1 2 3

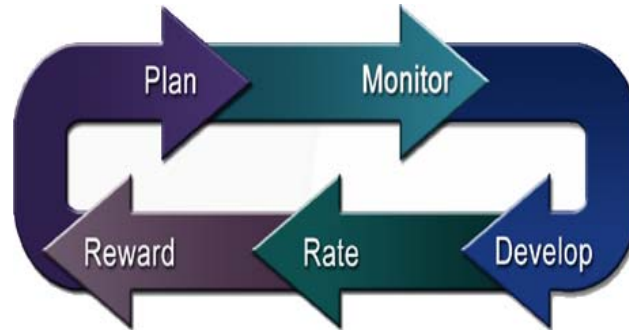
* Funded by annual January pay increase

** Does not exist under NSPS

*** Portion remaining after funding Rate Range Adjustments and LMS

NOTE: - Organizations can add additional dollars for either salary increases, bonuses or both
- Extraordinary Pay Increases (EPIs) and Organizational/Team Achievement Recognitions (OARs) are funded from other sources (NOT from pay pool)

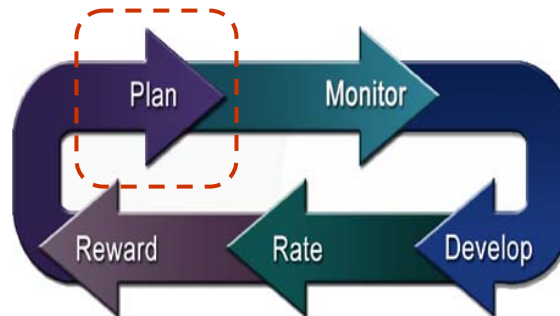
- **Employees will not lose pay upon conversion**
- **Conversion based on current position of record**
- **Employees eligible for a within-grade increase (WGI) will receive a pro-rated increase in their salary**



- Results-oriented, mission-focused
- Clear and understandable (fair, credible, and transparent)
- Direct link between pay, performance and mission accomplishment
- Reflect meaningful distinctions in employee performance
- Robust (capable of supporting pay decisions)
- **Job objectives** – the “**What**” – primary focus
- **Manner of performance** – the “**How**” – contributing factors that influence the objective rating
- Supervisors are rated on at least one supervisory objective

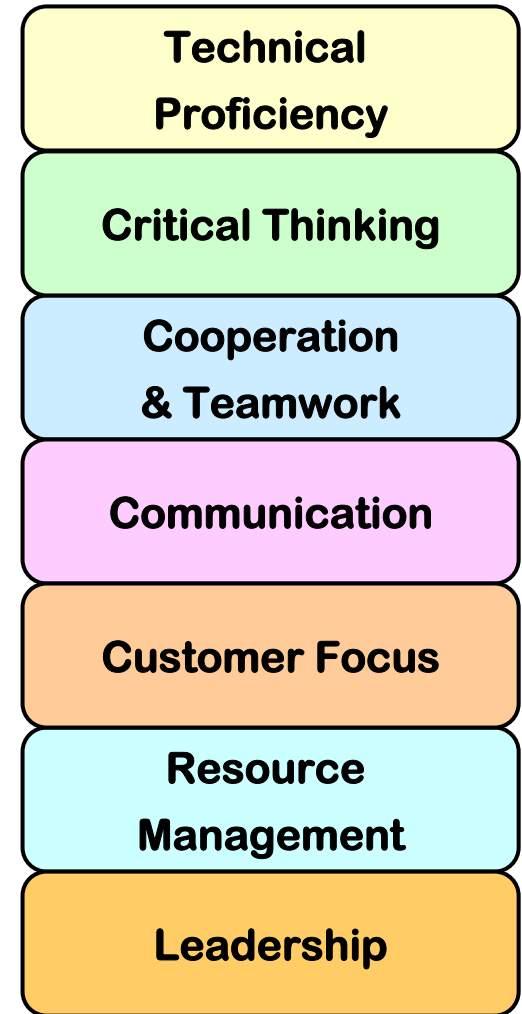
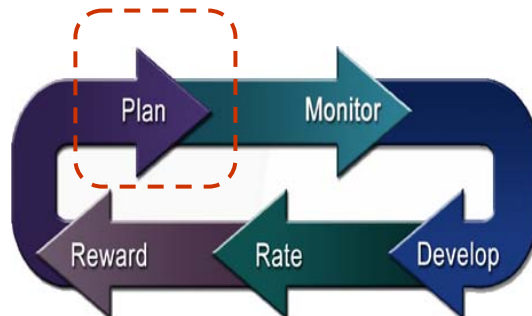
■ Job Objectives = “What”

- Written jointly by employee and supervisor
- Communicate specific individual, team, or organizational responsibilities and expected contributions with related outcomes and accomplishments
- Draw a line of sight between the employee’s work, the work unit’s goals, and the organization’s success
- Results-oriented and mission-focused
- May be weighted
- Written in the “SMART” framework
 - ✓ Specific
 - ✓ Measurable (including quality)
 - ✓ Aligned
 - ✓ Realistic
 - ✓ Time-Bound

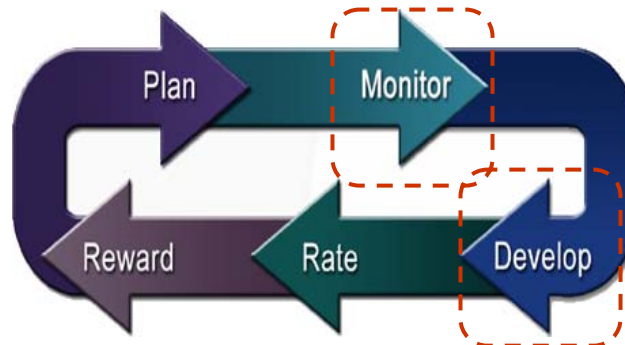


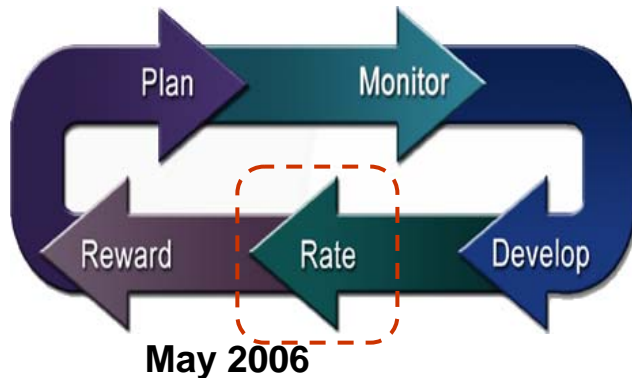
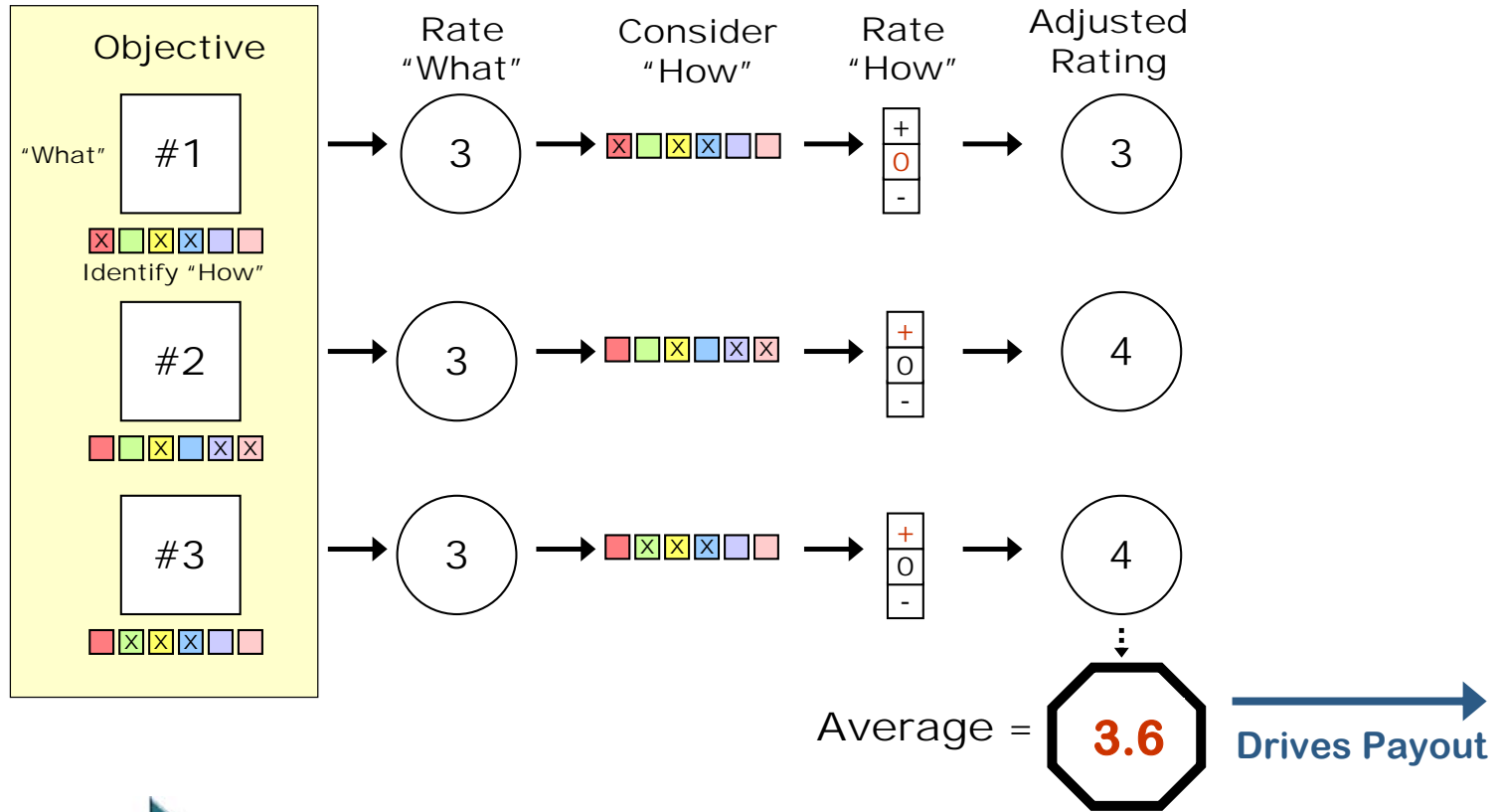
■ Contributing Factors = “How”

- Selected for each objective
- Attributes of job performance that are significant to the accomplishment of individual job objectives
- Further defined by “work behaviors” and “benchmark descriptors”
- Standard across DoD
- Described at the “Expected” and “Enhanced” level



- **Ongoing Feedback and Dialogue**
 - Acknowledge accomplishments - reinforce positive behaviors
 - Anticipate difficulties - remedy shortfalls
- **Interim Reviews**
 - Once during the performance management cycle
 - ✓ Informative and developmental
 - Check progress - make adjustments
- **Closeout assessments as necessary**
- **Employee Development**
 - Meaningful performance-related discussion
 - Mentoring, coaching, training
 - Process improvement teams, details and reassignments

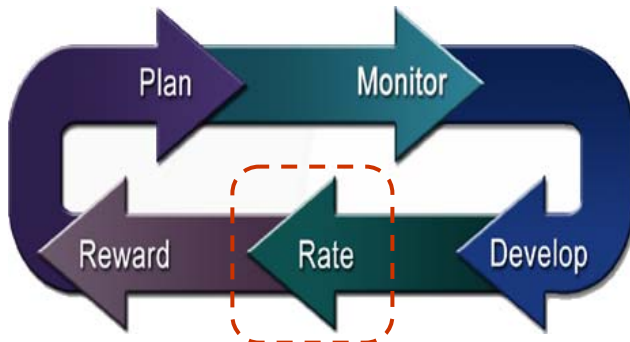




- Raters qualified through training or relevant experience

Performance	Rating	Employees are eligible to receive.....
Role Model	5	Performance Based Pay Rate Range Adjustments Local Market Supplement Increases
Exceeds Expectations	4	
Valued Performance	3	
Fair	2	Rate Range Adjustments Local Market Supplement Increases
Unsuccessful	1	No Increases

- Minimum period of performance
- Employee and supervisory end-of-year performance assessments
- Rated on responsibilities, behaviors, skills and tasks



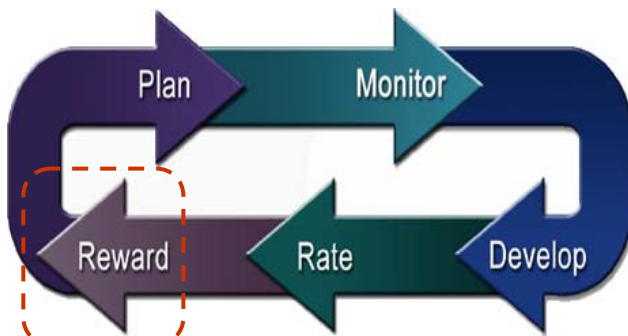
May 2006

- Employee performance payout = salary increase and/or bonus
- Access to Administrative Reconsideration Process or Negotiated Grievance Procedures

■ Supervisors recommends performance ratings

- Employees' with ratings from 3 to 5 are eligible for performance base shares
- Share value = % of employee's salary

Performance	Rating	Shares
Role Model	5	5 - 6
Exceeds Expectations	4	3 - 4
Valued Performance	3	1 - 2
Fair	2	0
Unsuccessful	1	0



May 2006

- DoD hiring authorities provide more flexibility to respond to mission changes
- Hiring process streamlined
- Pay setting flexibilities increase ability to retain and attract quality candidates
- DoD qualification requirements recognize unique mission
- Longer probationary periods for some occupational categories allow more time to evaluate new employees
- Veterans' preference rights protected

Streamlined promotion and hiring process

- Streamlined, mission responsive
- Four retention factors remain, and are considered in this order:
 - Tenure
 - Veterans' Preference
 - Performance
 - Seniority
- Multiple years' performance credit for reduction in force
- Two years of retained pay for displaced employees
- Less disruptive to employees and mission

More emphasis on performance

- **Modularized training content**
- **Dual focused on the behavioral & technical aspects of NSPS**
- **Integrated with ongoing communication & leadership initiatives**
- **Incorporating a variety of delivery methods**
- **Supporting diverse learning styles and environments**
 - **Web-based**
 - **Classroom**
 - **Video**
 - **On-the-job support tools**
 - **Supplemental training aids**



Learning Products Available Now

■ Web based

- NSPS 101 With Conversion Calculator
- HR Elements for Managers, Supervisors, and Employees - a Guide for NSPS for Spiral 1.1 Employees
- Web-based NSPS Fundamentals
- Human Resources Elements Primer
- Senior Leaders' Forum
- Brochures
 - ✓ Communicating with Your Staff
 - ✓ Role of the HR Practitioner
 - ✓ Communicating with Your Supervisor
 - ✓ Helping Organizations Thrive Under NSPS
 - ✓ Focus on Performance for Managers
 - ✓ Focus on Performance for Employees

■ Hand-outs

- NSPS: A Roadmap for Leading Change
- 7 Ways for Supervisors to Get Ready for NSPS
- 6 Ways for Employees to Get Ready for NSPS

■ Video

- **Make communication a priority**
 - Be inclusive - Listen hard and often
 - Listen from the top and bottom
- **Let people talk about how the change affects them**
 - Speak honestly and without fear of retribution
- **This change hits people in their pocket**
 - Understand it is going to stir up emotions
- **Communicate and train your way to good results**
 - Expect it to hurt sometimes
 - Calibrate expectations – “Valued Performer” is a good thing
- **Open and frank discussions are critical to the process**

“It’s critical that we take care of our most important asset – our people.”

*Honorable Gordon R. England
NSPS Senior Executive*

■ NSPS Program Evaluation

- Short term: system adjustments, course corrections, best practices to share
- Long term: continuous improvement

■ Performance Management System Certification

- NSPS limited to 300,000 until SecDef certifies

■ Reports to Leadership and Employees

■ Reports to Congress, OPM, OMB, and GAO

- Court enjoined the Labor Relations System and Adverse Actions and Appeals
- Implementing performance management, classification, compensation, staffing, and workforce shaping provisions of Human Resources System
- NSPS deployment
 - **Spiral 1.1**
 - Begins April 2006 - about 11,000 employees
 - Rating cycle through October 2006
 - Performance payout in January 2007
 - **Spiral 1.2**
 - Begins October 2006 - Organizations TBD
 - Performance payout January 2008
 - **Spiral 1.3**
 - Begins January 2007 - Organizations TBD
 - Performance payout January 2008
- Continuous evaluation and system improvements
- Spiral 2 is event driven and requires redesign

From 25 years of DoD Experience:

- **Communication is critical**
- **Train your way to success**
- **Evaluation assures accountability**
- **Transformational change must happen at every level**

- **A modern, flexible, and agile human resources system**
 - Responsive to the national security environment
 - Preserves employee protections and benefits

- **Stimulates an environment where employees are encouraged to excel, challenged with meaningful work, and recognized for contributions**
 - Transitions to a culture where feedback and coaching is essential
 - Encourages employees to take ownership of their performance and successes

“NSPS is a win-win-win system... a win for our employees, a win for our military and a win for our Nation.”

***Honorable Gordon R. England
NSPS Senior Executive***



QUESTIONS?

www.cpms.osd.mil/nsps